

1                   **Exhibit 2 to Final Order**

2                   **Claims Procedures**

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**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION**

In re:

## **PG&E CORPORATION,**

- and -

# PACIFIC GAS AND ELECTRIC COMPANY,

## Debtors.

**Bankruptcy Case  
No. 19-30088 (DM)**

## Chapter 11 (Lead Case) (Jointly Administered)

## **NOTICES, RESTRICTIONS, AND OTHER PROCEDURES REGARDING OWNERSHIP AND TRANSFERS OF CLAIMS AGAINST THE DEBTORS**

- Affects PG&E Corporation
  - Affects Pacific Gas and Electric Company
  - Affects both Debtors

*\* All papers shall be filed in the Lead Case,  
No. 19-30088 (DM).*

**TO ALL PERSONS (INCLUDING ENTITIES) WITH CLAIMS AGAINST THE  
DEBTORS:**

YOU ARE HEREBY NOTIFIED THAT pursuant to that certain *Final Order Establishing (1) Notification Procedures and Approving Restrictions on Certain Transfers of Stock of the Debtors and (2) a Record Date Regarding the Ownership of Claims Against the Debtors with Respect to Certain Notification and Sell-Down Procedures and Requirements* (the “**Final Order**”) entered by the United States Bankruptcy Court for the Northern District of California (the “**Bankruptcy Court**”) on \_\_\_\_\_, 2019, Docket No. [ ], the following restrictions, notification requirements, and/or other procedures (collectively, the “**Claims Procedures**”) may become applicable and binding on you if so ordered by the Bankruptcy Court, following notice and a hearing (a “**Claims Procedures Order**”) in connection with a 382(l)(5) Plan (as defined below).<sup>1</sup>

**YOU ARE HEREBY FURTHER NOTIFIED THAT IF THE CLAIMS PROCEDURES ORDER IS ENTERED, THE CLAIMS PROCEDURES WILL APPLY TO ALL TRANSFERS**

<sup>1</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Final Order.

1 **OF CLAIMS FROM AND AFTER JANUARY 29, 2019.**

2 **A. Claims Procedures**

3 (1) **Definitions.** For purposes of these Claims Procedures, the following terms have the  
4 following meanings:

5 (a) **“PG&E Corp.”** shall mean PG&E Corporation.

6 (b) **“Post-Emergence PG&E”** means the reorganized Debtors or any successor  
7 thereto.

8 (c) **“New PG&E Stock”** means the common stock and any other equity securities  
9 (including securities that are treated as equity securities for U.S. federal income tax purposes) of Post-  
10 Emergence PG&E, including Options to acquire the same.

11 (d) **“Entity”** has the meaning as such term is defined in section 1.382-3(a) of title  
12 26 of the Code of Federal Regulations (the **“Treasury Regulations”**), including any group of persons  
13 acting pursuant to a formal or informal understanding among themselves to make a coordinated  
14 acquisition of Claims or New PG&E Stock.

15 (e) A **“Claim”** means any claim, as defined in section 101(5) of the Bankruptcy  
16 Code, against any of the Debtors arising out of or relating to the period prior to the Petition Date,  
17 whether secured or unsecured (which, for the avoidance of doubt, excludes, any claim under or in  
18 connection with the Debtors’ proposed debtor in possession financing facility (the **“DIP Loan”**)).

19 (f) An **“Option”** includes any contingent purchase, warrant, convertible debt, put,  
20 stock subject to risk of forfeiture, contract to acquire stock, or similar interest, regardless of whether it  
21 is contingent or otherwise not currently exercisable.

22 (g) A **“382(l)(5) Plan”** means a plan of reorganization (a **“Plan”**) that contemplates  
23 the use of section 382(l)(5) of the title 26 of the United States Code (the **“Tax Code”**) by a reorganized  
24 debtor to obtain certain incremental tax benefits.

25 (h) **“Beneficial ownership”** of a Claim or Owned Interest means:

26 (i) the beneficial ownership of a Claim or Owned Interest (as hereinafter  
27 defined) as determined in accordance with applicable rules under section 382 of the Tax Code, the  
28 Treasury Regulations, and rulings issued by the Internal Revenue Service (the **“IRS”**) and as described

herein (for such purpose, a Claim is treated as if it were stock) and, thus, to the extent provided in those sources, from time to time, shall include, without limitation, (A) direct and indirect ownership (but determined without regard to any rule that treats stock of an entity as to which the constructive ownership rules apply as no longer owned by that entity), e.g., a holding company would be considered to beneficially own all Claims or Owned Interests owned or acquired by its subsidiaries, (B) ownership by a holder's family members, and (C) ownership by any Entity, Owned Interests, and/or stock; and

(ii) the beneficial ownership of an Option (irrespective of the purpose for which such Option was issued, created, or acquired) with respect to a Claim or Owned Interest.

(iii) For the avoidance of doubt, beneficial ownership of a Claim or Owned Interests also includes the beneficial ownership of any right to receive any equity consideration to be distributed in respect of a Claim or Owned Interests pursuant to a Plan or any applicable bankruptcy court order.

(i) "**Threshold Amount**" means an amount of Claims that, when taking into account the Owned Interests beneficially owned by a holder of Claims (including under the applicable aggregation rules), could result in such holder of Claims holding the Applicable Percentage of New PG&E Stock. For this purpose, the beneficial ownership of an Option to acquire Owned Interests shall be considered beneficial ownership of Owned Interests.

Notwithstanding the foregoing, if a beneficial owner of Claims does not agree to refrain from acquiring beneficial ownership of additional Owned Interests (and Options to acquire the same) or to dispose of immediately any such Owned Interests or Options (if acquired on or after the Petition Date but prior to submitting its Notice of Substantial Claim Ownership (as hereinafter defined)), the Threshold Amount for such beneficial owner of Claims shall be the "**Minimum Threshold Amount**," which shall be the amount of Claims beneficially owned by a holder of Claims continuously from the Petition Date to the Sell-Down Date (as hereinafter defined).

(j) A "**Substantial Claimholder**" means any person (including any Entity) that beneficially owns an aggregate dollar amount of Claims against the Debtors, or any Entity controlled by such person through which such person beneficially owns Claims against the Debtors, of more than the Threshold Amount, excluding Claims under or in connection with the DIP Loan.

For the avoidance of doubt, section 382 of the Tax Code, the Treasury Regulations, and all relevant IRS and judicial authority shall apply in determining whether the Claims of several persons and/or Entities must be aggregated when a person's (including an Entity's) status as a Substantial Claimholder (for such purpose, a Claim is treated as if it were stock).

(k) “**Applicable Percentage**” means, if only one class of New PG&E Stock is to be issued pursuant to the terms of a 382(l)(5) Plan and holders within each class of Claims receiving New PG&E Stock will receive a pro rata distribution of the New PG&E Stock, 4.75% of the number of shares of New PG&E Stock that the Debtors reasonably estimate will be outstanding immediately after the effective date of such 382(l)(5) Plan, as determined for U.S. federal income tax purposes. If more than one class of New PG&E Stock is to be distributed pursuant to the terms of a 382(l)(5) Plan or if holders within a class of Claims may receive a disproportionate distribution of New PG&E Stock relative to other holders in the same class, the Applicable Percentage shall be determined by the Debtors in their reasonable judgment in a manner consistent with the estimated range of values for the equity to be distributed (as reflected in the valuation analysis set forth in the 382(l)(5) Plan and disclosure statement) and shall be expressed in a manner that makes clear the number of shares or other interests in each class of New PG&E Stock that would constitute the Applicable Percentage.

(l) “**Holdings Report**” means a Notice of Substantial Claim Ownership (as hereinafter defined) received by the Debtors with respect to the Determination Date.

(m) “**Maximum Amount**” means the maximum amount of Claims (by class or other applicable classification of Claims) that may be held, as of the effective date of the 382(l)(5) Plan, by a Substantial Claimholder that was a Substantial Claimholder as of the Determination Date, which the Debtors shall calculate as follows:

(i) Based upon the information provided by the Substantial Claimholders in the Holdings Reports, the Debtors shall calculate the aggregate amount of Claims that all such Substantial Claimholders must sell as a group to effectuate the 382(l)(5) Plan (the “**Sell-Down Amount**”);

(ii) The Debtors shall calculate for each Substantial Claimholder the amount of such Substantial Claimholder’s *pro rata* share of the Sell-Down Amount (*i.e.*, the Sell-Down

1 Amount multiplied by a fraction, (x) the numerator of which is the excess, if any, of the amount of  
2 Claims identified in such Substantial Claimholder's Holdings Report minus the greater of (A) the  
3 applicable Threshold Amount and (B) the Protected Amount for such Substantial Claimholder, and (y)  
4 the denominator of which is the sum of the numerators computed for all Substantial Claimholders);  
5 and

6                             (iii) For each such Substantial Claimholder, the Debtors shall subtract from  
7 the total Claims held by such Substantial Claimholder (as reported in the Holdings Report) such  
8 Substantial Claimholder's *pro rata* share of the Sell-Down Amount. The result shall be the Maximum  
9 Amount.

10                             (n) "**Newly Traded Claims**" means Claims (i) with respect to which a person  
11 (including any Entity) acquired beneficial ownership after the date that was eighteen (18) months prior  
12 to the Petition Date and (ii) that are not "ordinary course" Claims, within the meaning of Treasury  
13 Regulations section 1.382-9(d)(2)(iv), of which the same person (including any Entity) always has had  
14 beneficial ownership.

15                             (o) A "**Permitted Transferee**" with respect to a Substantial Claimholder is a person  
16 (including any Entity) whose holding of a Claim would not result in such Substantial Claimholder  
17 having beneficial ownership of such Claim.

18                             (p) "**Protected Amount**" means the amount of Claims (by class or other applicable  
19 classification) of which a holder had beneficial ownership on the Petition Date *plus* the amount of  
20 Claims of which such holder acquires, directly or indirectly, beneficial ownership pursuant to trades  
21 entered into prior to the Petition Date, but that had not yet closed as of the Petition Date, and the  
22 amount of Claims of which such holder acquires, directly or indirectly, beneficial ownership pursuant  
23 to trades entered into after the Petition Date that have been approved by the Debtors in accordance  
24 with these Claims Procedures minus the amount of Claims of which such holder sells, directly or  
25 indirectly, beneficial ownership pursuant to trades entered into prior to the Petition Date, but that had  
26 not yet closed as of the Petition Date. For the avoidance of doubt, there shall be included in the  
27 Protected Amount of a claimant that is an insurer under an insurance policy, a guarantor or an issuer of  
28 a letter of credit or similar security arrangement as described in Treasury Regulations section 1.382-

9(d)(5)(ii)(G) on the Petition Date, any Claims transferred to such claimant pursuant to a subrogation under such insurance policy or such guarantee, letter of credit or similar security arrangement on or after the Petition Date (without the need for any prior approval by the Debtors), so long as such transfer is not for a principal purpose of obtaining New PG&E Stock or permitting the transferee to benefit from the losses of the Debtors within the meaning of Treasury Regulations section 1.382-9(d)(5)(iii).

(2) Disclosure of 382(l)(5) Plan. If the proponent of a Plan (a “**Plan Proponent**”) determines that the reorganized Debtors likely will benefit from the application of section 382(l)(5) of the Tax Code and reasonably anticipates that Post-Emergence PG&E will invoke such section, then the Plan Proponent, in proposing a 382(l)(5) Plan, shall disclose in its proposed disclosure statement or, in the case of items (c) through (e) below, a later separate notice (collectively, the “**Proposed 382(l)(5) Disclosure Statement**”):

(a) Adequate information about the incremental tax benefits anticipated to be realized through the use of section 382(l)(5) of the Tax Code that, taking into account the Debtors’ anticipated net unrealized built-in gains or net unrealized built-in losses, would not otherwise be available;

(b) A summary of any restrictions expected to be imposed on the transferability of securities issued under the Plan in order to preserve such incremental tax benefits;

(c) The (i) dollar amount of Claims (by class or other applicable classification) expected to result in a one-percent (1%) interest in New PG&E Stock and (ii) the number of any of the specified interests (“**Owned Interests**”) in the Debtors expected to result in a one-percent (1%) interest in New PG&E Stock, in each case based upon then-available information;

(d) A specified date (the “**Determination Date**”) that is not less than ten (10) calendar days after the service of the notice of the hearing with respect to the Proposed 382(l)(5) Disclosure Statement; and

(e) A specified date (the “**Reporting Deadline**”) that is not less than five (5) calendar days after the Determination Date, by which persons (including Entities, which for purposes of the Claims Procedures also includes an “entity” within the meaning of Treasury Regulations section

1 1.382-3(a)) must serve on various parties the notice required by these Claims Procedures (the “**Notice**  
2 **of Substantial Claim Ownership**”).

3 In the event that items (c) through (e) above are disclosed in a separate notice after the  
4 filing of the proposed disclosure statement, such items shall also be disclosed in a separate filing with  
5 the Securities and Exchange Commission on Form 8-K.

6 (3) Notice of Substantial Claim Ownership.

7 (a) Any person (including any Entity) that beneficially owns either (i) more than a  
8 specified amount of Claims<sup>2</sup> or (ii) a lower amount of Claims that (based on the applicable information  
9 set forth in the Proposed 382(l)(5) Disclosure Statement), when taking into account any Owned  
10 Interests beneficially owned by a holder of Claims (including pursuant to the applicable aggregation  
11 rules), could result in such holder of Claims holding the Applicable Percentage of New PG&E Stock,  
12 in each case as of the Determination Date, shall serve upon the Plan Proponent and its counsel (and the  
13 Debtors and their counsel if not the Plan Proponent), counsel to the lenders under the Debtors’  
14 proposed debtor in possession financing facility (the “**DIP Lenders**”), and counsel to any statutory  
15 committees appointed in the Chapter 11 Cases (each, an “**Official Committee**”) a Notice of  
16 Substantial Claim Ownership, in substantially the form annexed to the Proposed 382(l)(5) Disclosure  
17 Statement, on or before the Reporting Deadline. Such person also shall set forth in the Notice of  
18 Substantial Claim Ownership its beneficial ownership, if any, of any Owned Interests and whether it  
19 agrees to refrain from acquiring beneficial ownership of additional Owned Interests (and Options to  
20 acquire the same) until after the effective date of the 382(l)(5) Plan and to immediately dispose of any  
21 Owned Interests or Options (if acquired on or after the Petition Date and prior to submitting its Notice  
22 of Substantial Claim Ownership). A person (including any Entity) that is required to file a Notice of  
23 Substantial Claim Ownership may or may not be a Substantial Claimholder. The standard for a  
24 person’s (including an Entity’s) being required to file a Notice of Substantial Claim Ownership is  
25 different than the definition of a Substantial Claimholder. At the election of the Substantial  
26 Claimholder, the Notice of Substantial Claim Ownership to be filed with the Bankruptcy Court (but not  
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28 <sup>2</sup> This “specified amount” is to be reasonably established by the Plan Proponent, taking into account  
the terms of the 382(l)(5) Plan, and disclosed in the Proposed 382(l)(5) Disclosure Statement. The  
“specified amount” may be expressed by class or type of Claim(s), if applicable.

1 the Notice of Substantial Claim Ownership that is served upon the Debtors, the attorneys for the  
2 Debtors, and the attorneys for any Official Committee) may be redacted to exclude the Substantial  
3 Claimholder's taxpayer identification number.

4 (b) In order to assist in determining their eligibility to avail themselves of the relief  
5 set forth in section 382(l)(5) of the Tax Code, the Debtors may request<sup>3</sup> from any person (including  
6 any Entity) that beneficially owns either (i) more than a specified amount of Claims (which may be  
7 expressed by class or type of Claim(s), if applicable) or (ii) a lower amount of Claims that, when  
8 taking into account the Owned Interests beneficially owned by a holder of Claims (including pursuant  
9 to the applicable aggregation rules), could result in such holder of Claims holding the Applicable  
10 Percentage of New PG&E Stock, in each case as of the date specified in such request, information  
11 regarding its beneficial ownership of Claims and Owned Interests (and Options to acquire the same)  
12 prior to the filing of the Proposed 382(l)(5) Disclosure Statement, in a manner consistent with these  
13 Claims Procedures. In addition, the Debtors shall disclose such request in a separate filing with the  
14 Securities and Exchange Commission on Form 8-K.

15 (c) Any person (including any Entity) that fails to comply with its notification  
16 obligations set forth in this paragraph shall, in addition to the consequences set forth in paragraph  
17 A(5)(g) below, be subject to such remedy as the Bankruptcy Court may find appropriate upon motion  
18 by the Debtors, after service of the motion upon such person and a hearing on the motion in  
19 accordance with the Federal Rules of Bankruptcy Procedure, including, without limitation, ordering  
20 such noncompliant person (including any Entity) to divest itself promptly of any beneficial ownership  
21 of Claims to the extent of such person's ownership of an Excess Amount (as defined herein) and  
22 imposing monetary damages for any costs reasonably incurred by the Debtors that were caused by the  
23 violation and enforcement of this paragraph.

24 (4) Claims Trading Before and After Determination Date.

25 (a) Any person (including any Entity) generally may trade freely and make a market  
26 in Claims until the Determination Date.

27 \_\_\_\_\_  
28 <sup>3</sup> For purposes of making this determination, such request shall include information comparable to the  
information that would be required in a Proposed 382(l)(5) Disclosure Statement pursuant to these  
Procedures.

(b) After the Determination Date, any acquisition of Claims by a person who filed or was required to file a Notice of Substantial Claim Ownership or by a person who would be required to file a Notice of Substantial Claim Ownership as a result of the consummation of the contemplated transaction if the proposed acquisition date had been the Determination Date (each, a “**Proposed Claims Transferee**”) shall not be effective unless consummated in compliance with these Claims Procedures.

(c) At least ten (10) business days prior to the proposed date of any acquisition of Claims by a Proposed Claims Transferee (a “**Proposed Claims Acquisition Transaction**”), such Proposed Claims Transferee shall serve upon the Plan Proponent and its counsel (and the Debtors and their counsel if not the Plan Proponent), counsel to the DIP Lenders, and counsel to any Official Committee a notice of such Proposed Claims Transferee’s request to purchase, acquire, or otherwise accumulate a Claim (a “**Claims Acquisition Request**”), in substantially the form annexed to the Proposed 382(l)(5) Disclosure Statement, which describes specifically and in detail the Proposed Claims Acquisition Transaction, regardless of whether such transfer would be subject to the filing, notice, and hearing requirements set forth in Bankruptcy Rule 3001.

(d) The Plan Proponent may determine, in consultation with the Debtors (if not the Plan Proponent), counsel to any Official Committee and counsel to the DIP Lenders, and consistent with the purposes of the Claims Procedures Order, whether to approve a Claims Acquisition Request. If the Plan Proponent does not approve a Claims Acquisition Request in writing within eight (8) business days after the Claims Acquisition Request is filed with the Court, the Claims Acquisition Request shall be deemed rejected; *provided, however,* that nothing in this subsection shall prevent any party from seeking relief from any rejection to the Court.

(5) Creditor Conduct and Sell-Down.

(a) To permit reliance by the Debtors on Treasury Regulations section 1.382-9(d)(3), upon the entry of the Claims Procedures Order, any Substantial Claimholder that participates in formulating any chapter 11 plan of or on behalf of the Debtors (which shall include, without limitation, making any suggestions or proposals to the Debtors or their advisors with regard to such a Plan) shall not disclose or otherwise make evident to the Debtors that any Claims in which such

1 Substantial Claimholder has a beneficial ownership are Newly Traded Claims, unless compelled to do  
2 so by an order of a court of competent jurisdiction or some other applicable legal requirement,  
3 *provided, however,* that the following activities shall not constitute participation in formulating a Plan  
4 *if*, in pursuing such activities, the Substantial Claimholder does not disclose or otherwise make evident  
5 (unless compelled to do so by an order of a court of competent jurisdiction or some other applicable  
6 legal requirement) to the Debtors that such Substantial Claimholder has beneficial ownership of Newly  
7 Traded Claims: filing an objection to a proposed disclosure statement or to confirmation of a proposed  
8 Plan; voting to accept or reject a proposed Plan; reviewing or commenting on a proposed business  
9 plan; providing information on a confidential basis to counsel to the Debtors; holding general  
10 membership on an official committee or an ad hoc committee; or taking any action required by an  
11 order of the Bankruptcy Court.

12 (b) Following the Determination Date, if the Plan Proponent determines that  
13 Substantial Claimholders must sell or transfer all or a portion of their beneficial ownership of Claims  
14 acquired after the Petition Date (the record date established by the Bankruptcy Court in the Final  
15 Order) in order to ensure that the requirements of section 382(l)(5) of the Tax Code will be satisfied,  
16 the Plan Proponent may file a motion with the Bankruptcy Court for entry of an order—after notice to  
17 counsel to any Official Committee, counsel to the DIP Lenders, and the relevant Substantial  
18 Claimholder(s) and a hearing—approving the issuance of a notice (each, a “**Sell-Down Notice**”) that  
19 such Substantial Claimholder must sell, cause to sell, or otherwise transfer a specified amount of its  
20 beneficial ownership of Claims (by class or other applicable classification) equal to the excess of (x)  
21 the amount of Claims beneficially owned by such Substantial Claimholder over (y) the Maximum  
22 Amount for such Substantial Claimholder (such excess amount, an “**Excess Amount**”). The motion  
23 shall be heard on expedited basis such that the Bankruptcy Court can render a decision on the motion  
24 at or before the hearing on confirmation of the 382(l)(5) Plan. If the Bankruptcy Court approves the  
25 Plan Proponent’s motion for the issuance of a Sell-Down Notice, the Plan Proponent shall provide the  
26 Sell-Down Notice to the relevant Substantial Claimholder(s).

27 (c) Notwithstanding anything to the contrary in these Claims Procedures, no  
28 Substantial Claimholder shall be required to sell, cause to sell, or otherwise transfer any beneficial

1 ownership of Claims if such sale would result in the Substantial Claimholder's beneficial ownership of  
2 an aggregate amount of Claims (by class or other applicable classification) that is less than such  
3 Substantial Claimholder's Protected Amount.

4 (d) Each Sell-Down Notice shall direct the Substantial Claimholder to sell, cause to  
5 sell, or otherwise transfer its beneficial ownership of the amount of Claims specified in the Sell-Down  
6 Notice to Permitted Transferees (each sale or transfer, a "**Sell-Down**"), *provided, however,* that such  
7 Substantial Claimholder shall not have a reasonable basis to believe that any such Permitted Transferee  
8 would own, immediately after the contemplated transfer, an Excess Amount of Claims and *provided,  
further,* that a Substantial Claimholder that has properly notified the Permitted Transferee of its Claims  
9 under these Claims Procedures shall not be treated as having such reasonable basis in the absence of  
10 notification or actual knowledge that such Permitted Transferee would own, after the transfer, an  
11 Excess Amount of Claims.

12 (e) By the date that is the later of (i) five (5) business days after the entry of an  
13 order confirming the 382(l)(5) Plan and (ii) such other date specified in the Sell-Down Notice, as  
14 applicable, but before the effective date of the 382(l)(5) Plan (the "**Sell-Down Date**"), each Substantial  
15 Claimholder subject to a Sell-Down Notice shall, as a condition to receiving New PG&E Stock, serve  
16 upon the Plan Proponent and its counsel (and the Debtors and their counsel if not the Plan Proponent),  
17 counsel to the DIP Lenders, and counsel to any Official Committee a notice in substantially the form  
18 annexed to the Proposed 382(l)(5) Disclosure Statement that such Substantial Claimholder has  
19 complied with the terms and conditions set forth in these Claims Procedures and that such Substantial  
20 Claimholder does not and will not hold an Excess Amount of Claims as of the Sell-Down Date and at  
21 all times through the effective date of the 382(l)(5) Plan (each, a "**Notice of Compliance**"). Any  
22 Substantial Claimholder who fails to comply with this provision shall not receive New PG&E Stock  
23 with respect to any Excess Amount of Claims. At the election of the Substantial Claimholder, the  
24 Notice of Compliance to be filed with the Bankruptcy Court (but not the Notice of Compliance that is  
25 served upon the Debtors, the attorneys for the Debtors, and the attorneys for any Official Committee)  
26 may be redacted to exclude the Substantial Claimholder's taxpayer identification number.

27 (f) Other than information that is public or in connection with any filing with, or

audit or other investigation by, the IRS or other taxing authority, the Plan Proponent shall keep all Notices of Compliance and any additional information provided by a Substantial Claimholder pursuant to these Claims Procedures (the “**Confidential Information**”) strictly confidential and shall not disclose the Confidential Information to any other person (including any Entity), *provided, however,* that the Plan Proponent may disclose the identity of the Substantial Claimholder to its counsel and professional financial advisors, counsel to and the professional financial advisors of any Official Committee or the DIP Lenders, and of any other person(s) that are subject to a nondisclosure agreement with the Plan Proponent, each of whom shall keep all Confidential Information strictly confidential, subject to further order of the Bankruptcy Court, and *provided, further,* that to the extent the Plan Proponent reasonably determines such Confidential Information is necessary to demonstrate to the Bankruptcy Court the need for the issuance of a Sell-Down Notice, such Confidential Information (determined by, among other things, whether such information was redacted in any public filing) shall be filed with the Bankruptcy Court under seal.

(g) Any person (including any Entity) that violates its obligations under these Claims Procedures or, if applicable, its agreement not to acquire beneficial ownership of Owned Interests (and Options to acquire the same) or to immediately dispose of any Owned Interests (if acquired on or after the Petition Date but prior to submitting its Notice of Substantial Claim Ownership) in its Notice of Substantial Claim Ownership shall, pursuant to these Claims Procedures, be precluded from receiving, directly or indirectly, any consideration consisting of a beneficial ownership of New PG&E Stock that is attributable to the Excess Amount of Claims for such person and, if applicable, to the Owned Interests acquired (or not immediately disposed of) in violation of such agreement by such person (or if the Owned Interests acquired (or not immediately disposed of) in violation of such agreement become beneficial ownership of New PG&E Stock without the need to receive new equity interests, such person shall be precluded as a result of such violation (and, thus, in addition to any other amounts otherwise precluded hereunder) from receiving, directly or indirectly, any consideration consisting of a beneficial ownership of New PG&E Stock attributable to such person’s Claims up to and including an amount equivalent to that represented by such Owned Interests), in each case including any consideration in lieu thereof, *provided, however,* that such person

may be entitled to receive any other consideration to which such person may be entitled by virtue of holding Claims (this provision, the “**Equity Forfeiture Provision**”). Any purported acquisition of, or other increase in the beneficial ownership of, New PG&E Stock that is precluded by the Equity Forfeiture Provision will be an acquisition of “**Forfeited Equity**.” Any acquirer of Forfeited Equity shall, promptly upon becoming aware of such fact, return or cause to return the Forfeited Equity to the Debtors (or any successor to the Debtors, including Post-Emergence PG&E) or, if all of the equity consideration properly issued to such acquirer and all or any portion of such Forfeited Equity have been sold prior to the time such acquirer becomes aware of such fact, such acquirer shall return or cause to return to the Debtors (or any successor to the Debtors, including Post-Emergence PG&E) (i) any Forfeited Equity still held by such acquirer and (ii) the proceeds attributable to the sale of Forfeited Equity, calculated by treating the most recently sold equity as Forfeited Equity. Any acquirer that receives Forfeited Equity and deliberately fails to comply with the preceding sentence shall be subject to such additional sanctions as the Bankruptcy Court may determine. Any Forfeited Equity returned to the Debtors, including Post-Emergence PG&E, shall be distributed (including a transfer to charity) or extinguished, in the Debtors’ sole discretion, in furtherance of the 382(l)(5) Plan.

(h) In effecting any sale or other transfer of Claims pursuant to a Sell-Down Notice, a Substantial Claimholder shall, to the extent that it is reasonably feasible to do so within the normal constraints of the market in which such sale takes place, notify the acquirer of such Claims of the existence of these Claims Procedures and the Equity Forfeiture Provision (it being understood that, in all cases in which there is direct communication between a salesperson and a customer, including, without limitation, communication via telephone, e-mail, and instant messaging, the existence of these Claims Procedures and the Equity Forfeiture Provision shall be included in such salesperson’s summary of the transaction).

(6) Exceptions.

(a) No person (including any Entity) shall be subject to the approval provisions of paragraph A(4)(b)–(d) above or, in the case of Claims that are part of the transferor’s Protected Amount, the sell-down provisions of paragraph A(5) above with respect to any transfer described in Treasury Regulations section 1.382-9(d)(5)(ii) so long as such transfer is not for a principal purpose of

1 obtaining New PG&E Stock or permitting the transferee to benefit from the losses of the Debtors  
2 within the meaning of Treasury Regulations section 1.382-9(d)(5)(iii), *provided, however,* that any  
3 such transferee who becomes a Substantial Claimholder following the filing of a Proposed 382(l)(5)  
4 Disclosure Statement shall serve upon the Plan Proponent and its counsel (and the Debtors and their  
5 counsel if not the Plan Proponent), counsel to the DIP Lenders and counsel to any Official Committee,  
6 a Notice of Substantial Claim Ownership as provided in these Claims Procedures.

7                         (b) For the avoidance of doubt, the trustee of any trust, any indenture trustee,  
8 subordination agent, registrar, paying agent, transfer agent, loan or collateral agent, or any other entity  
9 serving in a similar capacity however designated, in each case for any Claim or any Ownership  
10 Interests, notes, bonds, debentures, property, or other debt securities or obligations (collectively, the  
11 “**Debt Securities**”) (i) issued by any of the Debtors, (ii) secured by assets of any of the Debtors or  
12 agreements with respect to such assets, or (iii) secured by assets leased to any of the Debtors shall not  
13 be treated as a Substantial Claimholder solely to the extent that such entities are acting in the capacity  
14 described above, *provided, however,* that neither any transferee of Claims nor any equity or beneficial  
15 owner of a trust shall be excluded from these Claims Procedures solely by reason of this provision.

16 **B. Noncompliance with the Claims Procedures**

17                         In the event of, and at all times following, the effectiveness of these Claims Procedures  
18 pursuant to an order of this Court, any acquisition, disposition, or trading of Claims against the Debtors  
19 in violation of these Claims Procedures shall be null and void *ab initio* as an act in violation of the  
20 automatic stay under section 362 of the Bankruptcy Code and pursuant to the Bankruptcy Court’s  
21 equitable powers under section 105(a) of the Bankruptcy Code. Furthermore, if these Claims  
22 Procedures become effective, any person (including any Entity) that violates these Claims Procedures  
23 shall be subject to sanctions as provided by law.

24 **C. Debtors’ Right to Waive**

25                         **The Debtors may waive, in writing, any and all restrictions, stays, and notification**  
26 **procedures contained in these Claims Procedures; provided, however, that after a 382(l)(5) Plan**  
27 **has been properly filed by a Plan Proponent (other than by, or jointly with, the Debtors) and is**

1 still actively being pursued before this Court, the consent of such Plan Proponent also shall be  
2 necessary for any subsequent waiver to be effective.

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4 Dated: San Francisco, California

BY ORDER OF THE COURT

5 \_\_\_\_\_, 2019  
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